

**Electric Utilities Task Group
Friday, February 27, 2015
Town Hall, Old Town Road
12:30 p.m.**

Present: EUTG Chair Barbara MacMullan; members Everett Shorey, Bill Penn

Audience: Kim Gaffett; Linda Powers; Renee' Meyers for the Block Island Times
Bonny Ryan, EUTG clerk and Karen Cadow Le Roy, assistant to Town Clerk, were present to take the minutes

The meeting was called to order at 12:30 p.m. by Chair Barbara MacMullan.

1. Public Input

No public input

2. Approve minutes of October 27, 2014

Motion: Mr. Penn moved to approve the minutes; Mr. Shorey seconded.

Ayes: 3 (MacMullan, Shorey, Penn) Nays: 0

3. Deepwater Update

1) The next EUTG meeting has been changed from Monday March 23rd to Friday March 20 to accommodate Deepwater's presence on the island for their Open House later on that date.

2) Discussion on Cape Wind in Massachusetts: National Grid recently cancelled their contract with Cape Wind due to Cape Wind's failure to meet certain financial obligations within a deadline. In comparison, Deepwater is still spending money, and it appears that they are planning construction.

4. Discuss and act on BIPCO billing issues

1) Net Metering: Discussion on old complaints that the Block Island Power Company billing was incorrect – this is not an EUTG issue but an individual customer issue; EUTG recommends that customers with issues go directly to BIPCO and the Public Utilities Commission. These bills are complex and difficult to sort out; smart meters may make it easier to figure out the bills.

2) Question from Ms. Powers on smart meters. Commissioners stated that net metering requires a smart meter, and that BIPCO is in the process of replacing all meters with smart meters.

3) Reference to Net Metering Policy 2014: Discussion included the difficulty of determining whether or not billing problems are significant enough to be a concern addressed by the EUTG; currently billing problems do not seem to be a systemic issue.

5. Discuss and act on BIPCO rate design issues

1) Discussion began with the need to start getting organized on these issues in reference to the timeline presented to the Town Council last fall in an EUTG memo.

2) Discussion on whether or not BIPCO might want to continue producing power for the grid using diesel – this was agreed to be counterproductive, an environmental hazard, and too

costly; economics would be a factor. Ms. MacMullan stated that there should be a flat-out prohibition of diesel generation for resale on this island. Discussion continued with a clarification between diesel generated production for resale and the use of diesel emergency backup generators, specifically the three at BIPCO, Champlin's Marina, and the Sewer Plant. The economics of diesel production indicate that it would be cheaper to run off the cable, and public policy should be that all three diesel generator sets should be shut down (for resale production, not as back-up).

3) Discussion of overall policy goals vs. specific management: Mr. Penn suggested that the EUTG focus on public policy issues, identify them, and bring them to the Town Council with EUTG recommendations. Discussion included a number of public policy issues including the advantages and problems associated with deregulation: choice of a purchased power provider vs. bad deals offered to consumers, in which case the rule should be *caveat emptor* with the Town's responsibility to educate the consumers. Other discussion included a history of rate structure, the impact of new smart meters on rate structure, managing peak usage, and the demand, capacity and upgrade of the distribution system.

4) Mr. Penn compiled a list of policy issues for a memo to send to the Town Council; Ms. MacMullan will organize, prioritize, and write the list, and Mr. Shorey will edit it before submitting to the Town Council. Issues include time of day rates, peak usage, distribution system upgrade, distribution only, lifeline rates, a winter/summer balance with different rates, how the standard offer rate is determined and monitored, a review of the net metering rate, conservation programs and rewards for conservation, decoupling, demand side management, and a Pascoag Utility-type exemption. Once the policy is established and accepted by the Town, it should be presented to BIPCO at a public meeting, and then submitted to the Public Utilities Commission. It is in our favor to do this soon.

5) Ms. MacMullan suggested that the March agenda contain only two issues: the memo and Deepwater.

Motion: At 1:21 p.m. Mr. Penn moved to adjourn the meeting, seconded by Mr. Shorey.
Ayes: 3 (MacMullan, Shorey, Penn) Nays: 0

Respectfully submitted,

Karen Cadow LeRoy

Approved March 20, 2015